
OLR Bill Analysis

sHB 6238

AN ACT CONCERNING THE ACTUAL CASH VALUE OF A BUILDING.

SUMMARY:

The law provides the standard language for a fire insurance policy (e.g., homeowners' insurance). It defines the term "actual cash value" as the amount it would cost to repair or replace property with material of like kind and quality.

This bill retains the definition in existing law for property other than a building. It redefines "actual cash value" with respect to a building insured under the policy as the amount it would cost to repair or replace the building with material of like kind and quality, minus reasonable depreciation. It defines "depreciation" as a decrease in real property's value over time due to wear and tear.

EFFECTIVE DATE: October 1, 2011

COMMITTEE ACTION

Insurance and Real Estate Committee

Joint Favorable Substitute

Yea 14 Nay 4 (02/24/2011)